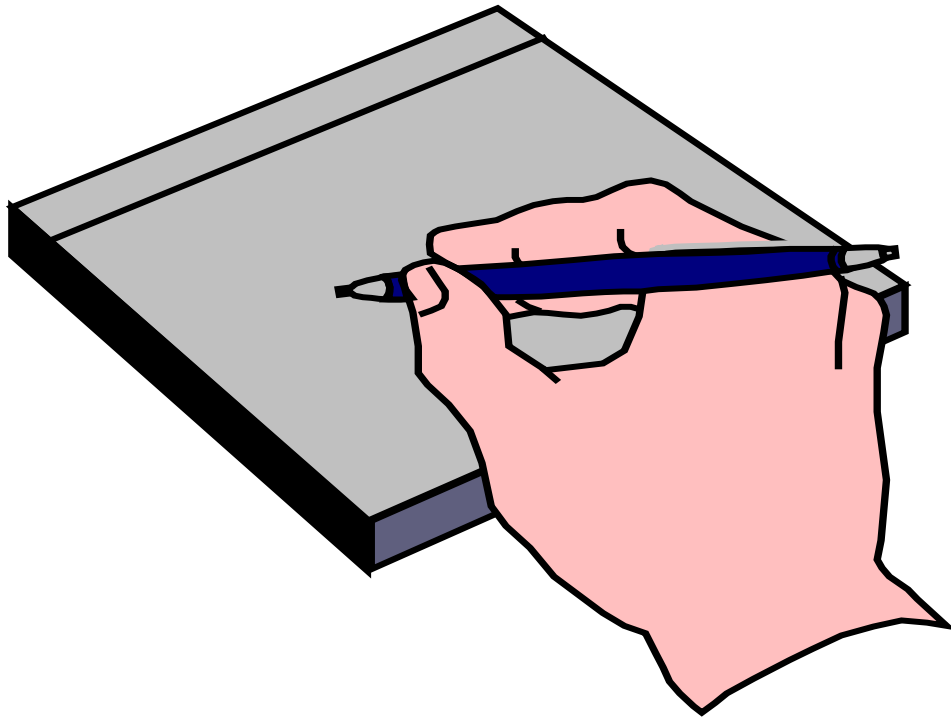


# **NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN**

## **PROCEDURES FOR REPORTING PAYROLL DEFERRALS**



New Jersey State Employees Deferred Compensation Plan

50 West State Street  
PO Box 295  
Trenton, NJ 08625-0295

phone (609) 292-3605 or 633-2031  
fax (609) 393-5037

Joseph Zisa  
Administrative Analyst &  
Plan Manager

Edward Wade  
Pension Benefit Specialist &  
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Teresa Oswald  
Accountant

Technical Staff:  
Lois Vereen                      Jeanette Tanyag

# NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

## PROCEDURES FOR REPORTING PAYROLL DEFERRALS

The following reports and procedures are required for hard copy reporting of payroll deferrals for the Deferred Compensation Plan on a calendar monthly basis:

- 1) Batch Control Document (exhibit 1) (facsimile is acceptable),
- 2) Monthly Input Source Document (exhibit 2) (facsimile is acceptable),
- 3) Sample Cover letter to accompany check to bank (exhibit 3),
- 4) Sample Check for amount of deferrals into the Plan (exhibit 4), and
- 5) Explanation of Payroll Calculations (exhibit 5).

In addition, if reporting on magnetic tape or remitting deferrals by wire transfer, the following are required:

- 6) Magnetic Tape Report (exhibit 6),
- 7) Payroll Center Tape Layout (exhibit 7), and
- 8) Procedures for Deferred Compensation Wire Transfer (exhibit 8).

Also enclosed is a List of Participating Payroll Centers (exhibit 9).

## INSTRUCTIONS FOR COMPLETING BATCH CONTROL DOCUMENT

The following information is required to properly complete the Batch Control Document:

<u>INFORMATION</u>	<u>DESCRIPTION</u>
BATCH TYPE	NORMAL for most instances, all ADJUSTMENTS must be cleared with the Deferred Compensation Section
PAYROLL CENTER	Each individual payroll center is assigned a payroll center number (PCEN #) (as in exhibit 9)
PROCESSING MONTH	Format is (YYYYMM), for example September 1997 will be listed as 199709
TOTAL RECORDS	List the total number of MEMBERS appearing on the Monthly Input Source Document
TOTAL DEFERRALS	The sum of the amount deferred line for all members listed on the Monthly Input Source Document
TOTAL 403B YTD	The sum of the amount of the 403(b) YTD AMOUNT line for all members listed on the Monthly Input Source Document
TOTAL MONTHLY 414H	The sum of the amount on the Monthly 414(h) line for all members listed on the Monthly Input Source Document
TOTAL MONTHLY 125	The sum of the amount on the Monthly 125 line for all members listed on the Monthly Input Source Document
TOTAL MONTHLY SALARY	The sum of the amount on the Monthly Salary line for all members on the Monthly Input Source Document
ADJUSTMENTS	Indicate the name, social security #, and dollar amount of the adjustment (positive or (NEGATIVE). Include description, reason and month and year for each adjustment

**\*NEGATIVE adjustments** must be indicated on the Batch Control Document cover page (Exhibit 1) providing the above requested information. However, on the monthly input source document (Exhibit 2) and for those reporting on magnetic tape, negative amounts cannot be accepted in any of the fields. A zero must be entered and an adjustment will be applied to the participant's account by the Deferred Compensation Plan's Administrator.

Remember: All adjustments require prior approval from the Deferred Compensation Plan's Administrator.

THE FOLLOWING INFORMATION IS REQUIRED TO PROPERLY COMPLETE THE MONTHLY INPUT SOURCE DOCUMENT:

<u>REQUIRED INFORMATION</u>	<u>DESCRIPTION</u>
SSN	The member's Social Security Number.
LAST NAME	The member's entire last name.
FIRST NAME	The member's entire first name.
DISTRIBUTION CODE	The member's ten digit distribution code. The first three digits are a reflection of the State payroll location number, the fourth and fifth digits represent the unit number, the sixth and seventh digits are the check distribution number and the eighth through tenth digits are zero. FOR LOCATIONS OTHER THAN CENTRALIZED PAYROLL, ALL ZERO'S MAY BE APPROPRIATE
DEFERRAL PERCENTAGE	List the percent deferred for the member. IF THE MEMBER IS SUSPENDED USE ZERO.
AMOUNT DEFERRED	The amount deferred for the sum of all payroll checks the member received during the current calendar month which includes those payroll dates for that month. The deferral amount per payroll will equal the deferred compensation base [gross minus 414(h) reduction, 125 reduction and minus any 403(b) reduction] multiplied by the deferral percent.
MAX. DEFERRAL	This amount is the lesser of \$8,000 or the Deferred Compensation base multiplied by twenty-five percent. The lesser of these options is further reduced by any 403b. The sum total of 403b and 457 contributions CANNOT EXCEED \$8,000.
403B YTD AMOUNT	The cumulative amount of 403(b) reductions year to date for each member. The 403(b) reductions represent tax sheltered contributions under IRS Code 403(b) which normally are related to employees involved in public education.
MONTHLY 414H	The amount deducted for the 414(h) pension contribution during the calendar month for each member. The 414(h) reduction is the amount the member contributes to one of the basic retirement systems administered by the Division of Pensions and Benefits.
MONTHLY 125	The amount deducted for IRC sec. 125 benefits during the calendar month for each member.
MONTHLY SALARY	The amount of the monthly salary for each member. IT IS IMPORTANT THAT THIS INFORMATION IS LISTED FOR EVERY MONTH, EVEN IF THE MEMBER IS NO LONGER DEFERRING. This information is needed for the calculation of a catch-up amount for each member.
STATUS FLAG	Regular member status flag is 1, catch-up is status flag 2, suspended is status flag 3, terminated is status flag 4, and leave of absence is status flag 5.
COMMENTS	Indicate any unusual or exceptional information necessary to qualify the reconciliation of calculations. For example: retroactive payroll, overtime, or bonus included in salary figure but NOT used to calculate deferred compensation percentage; participant is 10 month employee, etc.

## PROCEDURES FOR REPORTING DEFERRED COMPENSATION INFORMATION

After each payroll period, a check equal to the total amount deferred, plus or minus any adjustments, must be submitted to the following:

Morgan Stanley Dean Witter Trust  
Attn.: State of N.J. Cash Management Fund  
(Deferred Compensation Plan Account # 1260)  
Carmella Cusanelli, Plaza 2, 2nd Fl  
34 Exchange Pl  
Jersey City, New Jersey 07302-3885

Please make the check (exhibit 4) payable to Morgan Stanley Dean Witter Trust. Any payroll center requesting direct wire transfers may contact the Division of Investment, John Giovannetti, at (609)292-6941 for procedures. (Additional information on wire transfer is outlined in exhibit 8). Ms. Cusanelli's telephone number is (732)938-6024. A member of her staff will be available if you have further questions regarding the deferrals forwarded to the bank.

Enclose with the check, a brief letter stating the amount of the check and the month represented. The check must be submitted no later than one week after each payroll period. Also include information stating the check should be deposited into the Deferred Compensation Plan's Holding Account #1260. A copy of the check and letter should be sent to:

Division of Pensions and Benefits  
Deferred Compensation Plan  
PO Box 295  
Trenton, New Jersey 08625-0295  
Attn.: Teresa Oswald

The Monthly Input Source Document and the Batch Control Document, or the magnetic tape, must arrive ON OR BEFORE the 10th day following the deferral month (example: September tape or hard copy is due October 10th). The hard copy information may be mailed directly or sent to FAX number (609)393-5037, both to the attention of Teresa Oswald.

If your payroll center has the ability to submit the monthly deferral information on magnetic tape, a program should be designed to produce a tape and report as in exhibits 6 and 7. Payroll centers reporting on magnetic tape MUST also send a batch control document and a hard copy of the tape as verification.

IF YOU SUBMIT ON TAPE, please direct the tape to:

Division of Pensions and Benefits  
Sixth Floor/Data Processing  
PO Box 295  
Trenton, New Jersey 08625-0295  
Attn.: Mike Bunnick

Any further questions regarding the procedures for reporting may be addressed to Teresa Oswald at (609)633-3716.

EXHIBIT 1

DIVISION OF PENSIONS & BENEFITS  
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN  
BATCH CONTROL DOCUMENT

BATCH TYPE \_\_\_\_\_ (NORMAL/ADJUSTMENTS\*\*)  
PAYROLL CENTER \_\_\_\_\_  
PROCESSING MONTH \_\_\_\_\_ (YYYYMM)  
TOTAL RECORDS \_\_\_\_\_  
TOTAL DEFERRALS \* \$ \_\_\_\_\_  
TOTAL 403B YTD \$ \_\_\_\_\_  
TOTAL MONTHLY 414H \$ \_\_\_\_\_  
TOTAL MONTHLY 125 \$ \_\_\_\_\_  
TOTAL MONTHLY SALARY \$ \_\_\_\_\_

\* TOTAL DEFERRALS MUST MATCH BANK RECEIPTS FOR THE MONTH.

ALL TOTALS ON THIS BATCH CONTROL DOCUMENT MUST MATCH THE TOTALS OF THE  
CORRESPONDING INFORMATION ON THE MONTHLY INPUT SOURCE DOCUMENT

\*\*DESCRIPTION OF ADJUSTMENTS:

Include name, social security number, reason and period (month and year) for adjustment. Indicate if the adjustment is positive or negative. **Negative adjustments may not** be indicated on the monthly input source document (Exhibit 2) and for those reporting on a magnetic tape, negative amounts cannot be accepted in any of the fields. A zero must be entered and an adjustment will be applied to the participant's account by the Deferred Compensation Plan's Administrator.

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All adjustments require prior approval from the Deferred Compensation Plan's Administrator.

ANY QUESTIONS CONCERNING ADJUSTMENTS SHOULD BE DIRECTED TO THE DEFERRED  
COMPENSATION SECTION, TERESA OSWALD, (609)633-3716.

APPROVED BY:

\_\_\_\_\_  
Signature of Supervisor or Approving Officer      Date      (      )  
Telephone Number

EXHIBIT 2  
 DIVISION OF PENSIONS & BENEFITS  
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN  
MONTHLY INPUT SOURCE DOCUMENT

SSN	-	-		SSN	-	-	
LAST NAME	<hr/>			LAST NAME	<hr/>		
FIRST NAME	<hr/>			FIRST NAME	<hr/>		
DISTRIBUTION CODE	<hr/>			DISTRIBUTION CODE	<hr/>		
DEFERRAL PERCENT	%			DEFERRAL PERCENT	%		
AMOUNT DEFERRED	\$	<hr/>		AMOUNT DEFERRED	\$	<hr/>	
MAX. DEFERRAL	\$	<hr/>		MAX. DEFERRAL	\$	<hr/>	
403(b) YTD AMOUNT	\$	<hr/>		403(b) YTD AMOUNT	\$	<hr/>	
MONTHLY 414(h)	\$	<hr/>		MONTHLY 414(h)	\$	<hr/>	
MONTHLY 125	\$	<hr/>		MONTHLY 125	\$	<hr/>	
MONTHLY SALARY	\$	<hr/>		MONTHLY SALARY	\$	<hr/>	
STATUS FLAG	<hr/>			STATUS FLAG	<hr/>		
COMMENTS	<hr/>			COMMENTS	<hr/>		

SSN	-	-		SSN	-	-	
LAST NAME	<hr/>			LAST NAME	<hr/>		
FIRST NAME	<hr/>			FIRST NAME	<hr/>		
DISTRIBUTION CODE	<hr/>			DISTRIBUTION CODE	<hr/>		
DEFERRAL PERCENT	%			DEFERRAL PERCENT	%		
AMOUNT DEFERRED	\$	<hr/>		AMOUNT DEFERRED	\$	<hr/>	
MAX. DEFERRAL	\$	<hr/>		MAX. DEFERRAL	\$	<hr/>	
403(b) YTD AMOUNT	\$	<hr/>		403(b) YTD AMOUNT	\$	<hr/>	
MONTHLY 414(h)	\$	<hr/>		MONTHLY 414(h)	\$	<hr/>	
MONTHLY 125	\$	<hr/>		MONTHLY 125	\$	<hr/>	
MONTHLY SALARY	\$	<hr/>		MONTHLY SALARY	\$	<hr/>	
STATUS FLAG	<hr/>			STATUS FLAG	<hr/>		
COMMENTS	<hr/>			COMMENTS	<hr/>		

<u>STATUS FLAG</u>		<u>DISTRIBUTION CODE</u>	
1 = Regular	2 = Catch-up	(1 to 3) = Payroll Number	(4 & 5) = Unit
3 = Suspended	4 = Terminated	(6 & 7) = Check Distribution	(8 to 10) = zero
5 = Leave of Absence			

Prepared by \_\_\_\_\_  
 Updated 01/4/1999

Approved by \_\_\_\_\_

Date \_\_\_\_\_

EXHIBIT 3

SAMPLE COVER LETTER TO BANK

(PLEASE USE LETTERHEAD STATIONERY)

DATE

Dean Witter Trust Company  
Attn.: State of N.J. Cash Management Fund  
(Deferred Compensation Plan Account # 1260)  
Carmella Cusanelli, Plaza 2, 2nd Fl  
34 Exchange Pl  
Jersey City, New Jersey 07302-3885

Dear Ms. Cusanelli:

Enclosed please find our check in the amount of \$\_\_\_\_\_ for the month of \_\_\_\_\_  
to be deposited into the New Jersey State Employees Deferred Compensation Plan CMF holding  
account #1260.

Sincerely,

(Location and Title)

cc: Division of Pensions and Benefits  
Deferred Compensation Plan  
Attn.: Teresa Oswald  
PO Box 295  
Trenton, New Jersey 08625-0295



EXHIBIT 4

State of New Jersey  
Casino Reinvestment Authority

January 3, 1997

Pay to  
the Order of Dean Witter Trust Company \$ 2,472.40

Two Thousand Four Hundred Seventy-two and 40/100 -----Dollars

J. M. Treasurer

## EXHIBIT 5

### PAYROLL CALCULATIONS

THE FOLLOWING CALCULATIONS MUST BE PERFORMED EACH TIME A REGULAR PAYROLL IS PROCESSED

#### DEFERRED COMPENSATION DEDUCTION AMOUNT

INCLUDIBLE COMPENSATION = MONTHLY SALARY minus MONTHLY "414(h)" AMOUNT minus MONTHLY "125" AMOUNT minus MONTHLY "403(b)" AMOUNT

"457" DEDUCTION = INCLUDIBLE COMPENSATION *multiplied by* DEFERRAL PERCENTAGE

#### **EXAMPLE:**

INCLUDIBLE COMPENSATION = \$3,500 (MONTHLY SALARY) minus \$178.85 (MONTHLY 414(h) AMOUNT) minus \$125.00 (MONTHLY 125 AMOUNT) minus \$175.00 (MONTHLY 403(b) AMOUNT, IF APPLICABLE) equals \$3,021.15 (INCLUDIBLE COMPENSATION)

457 DEDUCTION = \$3,021.15 (INCLUDIBLE COMPENSATION) *multiplied by* 15% (DEFERRAL PERCENTAGE) *equals* \$453.17 (457 DEDUCTION)

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#### PROJECTION CALCULATIONS

PROJECTED YEARLY 414(h) = CURRENT 414(h) *multiplied by* REMAINING PAYROLL PERIODS *plus* ACTUAL 414(h) YTD

PROJECTED YEARLY 125 = CURRENT 125 *multiplied by* REMAINING PAYROLL PERIODS *plus* ACTUAL 125 YTD

PROJECTED YEARLY SALARY = CURRENT SALARY *multiplied by* REMAINING PAYROLL PERIODS *plus* ACTUAL SALARY YTD (while enrolled in Deferred Compensation) *plus* EXTRA LUMP PAYMENTS *minus* PROJECTED YEARLY 414(h) *minus* PROJECTED YEARLY 125

PROJECTED MAX. DEFERRAL = PROJECTED YEARLY SALARY *multiplied by* 25% OR \$8,000 (WHICHEVER IS LESS) OR \$15,000.00 IF IN CATCH-UP MODE

PROJECTED YEARLY 403(b) = CURRENT PAYROLL PERIOD'S 403(b) *multiplied by* REMAINING PAYROLL PERIODS *plus* ACTUAL 403(b) YTD

PROJECTED MAX. 457 = PROJECTED MAX. DEFERRAL *minus* PROJECTED YEARLY 403(b)

PROJECTED 457 BALANCE = PROJECTED MAX. 457 *minus* ACTUAL 457 YTD

EXHIBIT 6

MAGNETIC TAPE REPORT

FIELDS AND TOTALS REQUIRED ON THE PAYROLL CENTER REPORT

<u>FIELD</u>	<u>TOTAL</u>
PAYROLL CENTER NUMBER	
SOCIAL SECURITY NUMBER	
EMPLOYEE NAME	
CHECK DISTRIBUTION CODE	
DEFERRAL PERCENTAGE	NO
MONTHLY DEFERRAL AMOUNT	YES
YTD 403B AMOUNT	YES
MONTHLY 414H AMOUNT	YES
MONTHLY 125 AMOUNT	YES
MONTHLY SALARY	YES
TOTAL NUMBER OF RECORDS	YES

NEGATIVE AMOUNTS ARE NOT ACCEPTED IN ANY FIELD

## EXHIBIT 7

PAYROLL CENTER TAPE LAYOUT

FIELD	LENGTH	PICTURE
PAYROLL CENTER NUMBER	4	9(4)
SOCIAL SECURITY NUMBER	9	9(9)
EMPLOYEE NAME	30	x(30)
CHECK DISTRIBUTION CODE	10	x(10)
DEFERRAL PERCENTAGE	3	9(3) (0 to 100)
MONTHLY DEFERRAL AMOUNT	8	S9(6)V99
YTD DEFERRAL AMOUNT	8	S9(6)V99
MAXIMUM DEFERRAL AMOUNT	8	S9(6)V99
YTD 403(b) AMOUNT	8	S9(6)V99
MONTHLY SALARY	8	S9(6)V99
DEFERRED COMPENSATION FLAG	1	9
ACTIVE		VALUE 1
CATCH-UP		VALUE 2
SUSPEND		VALUE 3
TERMINATED		VALUE 4
LEAVE OF ABSENCE		VALUE 5
CHECK DATE (YYYYMM)*	6	9(6)
MONTHLY 414(h) AMOUNT	8	S9(6)V99
MONTHLY 125 AMOUNT	8	S9(6)V99
FILLER (for future use)	31	X(31)
	150	

BLOCKING FACTOR: 156

BLOCK SIZE: 23400

DENSITY: 1600, 6250

EXTERNAL LABEL: AGENCY NAME AND PROCESSING DATE (YYYYMM)

INTERNAL LABEL: IBM STANDARD LABELS

\* Check date was previously in the format *YYMM* and will need to be changed to include the first two digits of the year.

⇒ **NEGATIVE AMOUNTS ARE NOT ACCEPTED IN ANY FIELD** ⇐

## EXHIBIT 8

### Procedures for Deferred Compensation Wire Transfer

1. Contact Division of Investment, Bea Wolfe, at (609)292-8200, or Loretta Sytnik, at (609)292-6942, to obtain a control number.
2. Submit wire transfers to:

BANKERS TRUST COMPANY  
NEW YORK, NY  
ABA 021001033  
FOR ACCOUNT;  
STATE OF NJ -- CMF WIRE ACCT. NO. 00-153-840  
CREDIT ACCOUNT (DEFERRED COMPENSATION PLAN ACCT. NO. 1260)

EXHIBIT 9  
PAYROLL CENTER (PCEN) LISTING

<u>PAYROLL CENTER NUMBER</u>	<u>PAYROLL CENTER NAME</u>
+0001	State of NJ, Centralized Payroll
+0002	Rutgers University
+0003	University of Medicine & Dentistry of NJ
0004	NJ institute of Technology
0005	Palisades Interstate Park Commission
0006	Ocean County Soil Conservation Dist.
0007	NJ Water Supply Authority
0008	South Jersey Port Corp.
0009	Delaware River Basin Commission
0010	Hackensack Meadowlands Development Commission
0011	Waterfront Commission, New York Harbor
0012	NJ Education Facilities Authority
0013	Casino Reinvestment Authority
0014	NJ Housing & Mortgage Finance Agency
+0015	The College of New Jersey
+0016	Ramapo College of NJ
+0017	Rowan University
0018	William Paterson University of NJ
0019	Thomas Edison State College
+0020	Kean University
+0021	Montclair State University
0022	Stockton State College of NJ
+0023	New Jersey City University
0024	Pinelands Commission
0025	Atlantic City Convention Center Authority
0026	Warren County Soil Conservation Dist.
0027	NJ Health Care Facilities Financing Authority
0028	Burlington County Soil Conservation Dist.
0029	Mercer County Soil Conservation Dist.
0030	Freehold Soil Conservation Dist. (Monmouth & Middlesex Counties)
0031	Gloucester County Soil Conservation Dist.
0032	Hunterdon County Soil Conservation Dist.
0033	Morris County Soil Conservation Dist.
0034	NJ Commerce & Economic Growth Commission

+Indicates reporting on magnetic tape